



April 3, 2007

ENGROSSED SENATE BILL No. 372

DIGEST OF SB 372 (Updated March 28, 2007 8:04 pm - DI 77)

Citations Affected: Noncode.

Synopsis: Health insurance procedures. Requires the department of insurance to review the current preauthorization practices and procedures and allows the department to review the standardization of other insurance matters. Requires the department to report to the legislative council before November 1, 2007 concerning the department's findings.

Effective: July 1, 2007.

Simpson, Lawson C, Miller

(HOUSE SPONSORS — BROWN C, WELCH)

January 11, 2007, read first time and referred to Committee on Health and Provider Services.

February 22, 2007, amended, reported favorably — Do Pass.

February 26, 2007, read second time, ordered engrossed. Engrossed.

February 27, 2007, read third time, passed. Yeas 48, nays 0.

HOUSE ACTION

March 6, 2007, read first time and referred to Committee on Rules and Legislative Procedures.

March 12, 2007, reassigned to Committee on Public Health..

April 2, 2007, reported — Do Pass.

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ES 372—LS 7442/DI 97+



April 3, 2007

First Regular Session 115th General Assembly (2007)

PRINTING CODE. Amendments: Whenever an existing statute (or a section of the Indiana Constitution) is being amended, the text of the existing provision will appear in this style type, additions will appear in **this style type**, and deletions will appear in ~~this style type~~.

Additions: Whenever a new statutory provision is being enacted (or a new constitutional provision adopted), the text of the new provision will appear in **this style type**. Also, the word **NEW** will appear in that style type in the introductory clause of each SECTION that adds a new provision to the Indiana Code or the Indiana Constitution.

Conflict reconciliation: Text in a statute in *this style type* or ~~this style type~~ reconciles conflicts between statutes enacted by the 2006 Regular Session of the General Assembly.

ENGROSSED SENATE BILL No. 372

A BILL FOR AN ACT concerning insurance.

Be it enacted by the General Assembly of the State of Indiana:

1 SECTION 1. [EFFECTIVE JULY 1, 2007] (a) As used in this
2 SECTION, "department" refers to the department of insurance.

3 (b) As used in this SECTION, "insurer" means an insurer (as
4 defined in IC 27-1-2-3) that issues a policy of accident and sickness
5 insurance.

6 (c) As used in this SECTION, "policy of accident and sickness
7 insurance" has the meaning set forth in IC 27-8-5-1. However, the
8 term does not include a policy described in IC 27-8-5-2.5(a).

9 (d) As used in this SECTION, "preauthorization" means a
10 determination by:

11 (1) an insurer or an insurer's designated representative that
12 a proposed health care service is:

13 (A) eligible for coverage; and

14 (B) medically necessary; or

15 (2) a health maintenance organization that a proposed health
16 care service is:

17 (A) eligible for coverage; and

18 (B) medically necessary.

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(e) The department shall study the current preauthorization practices and procedures used by insurers and health maintenance organizations. The department may also study standardization of the following:

(1) Explanation of benefit forms.

(2) The length of time that a health care provider has to submit a claim for payment for health care services to an insurer or a health maintenance organization.

(3) The format, information, and location of information concerning health benefit cards.

(4) The manner and time frame in which an out of network health care provider is informed by an insurer or a health maintenance organization of the reimbursement rate the health care provider will receive for a CPT code of a health care service for which the health care provider receives preauthorization from the insurer or health maintenance organization.

(f) In conducting the study, the department shall allow representatives of insurers, health maintenance organizations, and health care providers to provide testimony concerning whether the practices and procedures described in subsection (e) require the establishment of standards to ensure uniformity, timely response, and the provision of reasonably sufficient information to health care providers concerning payment of claims.

(g) Before November 1, 2007, the department shall report to the legislative council in an electronic format under IC 5-14-6 concerning the department's findings resulting from the study conducted under this SECTION. The report must include any statutory recommendations that the department considers necessary to address issues studied under this SECTION for which the department does not have current authority to act.

(h) This SECTION expires December 31, 2008.

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COMMITTEE REPORT

Madam President: The Senate Committee on Health and Provider Services, to which was referred Senate Bill No. 372, has had the same under consideration and begs leave to report the same back to the Senate with the recommendation that said bill be AMENDED as follows:

Delete the title and insert the following:

A BILL FOR AN ACT concerning insurance.

Delete everything after the enacting clause and insert the following:

(SEE TEXT OF BILL)

and when so amended that said bill do pass.

(Reference is to SB 372 as introduced.)

MILLER, Chairperson

Committee Vote: Yeas 11, Nays 0.

 SENATE MOTION

Madam President: I move that Senator Miller be added as third author of Senate Bill 372.

SIMPSON

 COMMITTEE REPORT

Mr. Speaker: Your Committee on Public Health, to which was referred Senate Bill 372, has had the same under consideration and begs leave to report the same back to the House with the recommendation that said bill do pass.

BROWN C, Chair

Committee Vote: yeas 10, nays 0.

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